

Regular Session, 2009

HOUSE BILL NO. 563

BY REPRESENTATIVE BURRELL

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

TAX/AD VALOREM TAX: Provides relative to ad valorem taxes

1 AN ACT

2 To amend and reenact R.S. 47:2134(D), 2153(B)(5), 2201, and 2202, relative to ad valorem
3 taxes; to provide relative to certain challenges to assessments; to provide for bidding
4 procedures at tax sales; to provide for tax sale title to undivided interests; to provide
5 for public sale or donation of tax parcels; to provide for the sale of adjudicated
6 property to adjoining property owners; to provide for effectiveness as to suits filed
7 on or after a certain date; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 47:2134(D) is hereby amended and reenacted to read as follows:

10 §2134. Suits to recover taxes paid under protest

11 * * *

12 D. An assessment valuation ~~or claim of exemption~~ shall be challenged only
13 pursuant to the method or procedures as provided first in R.S. 47:1992, then in R.S.
14 47:1989, and finally in R.S. 47:1998.

15 * * *

16 Section 2. R.S. 47:2153(B)(5), 2201, and 2202 are hereby amended and reenacted
17 to read as follows:

18 §2153. Notice of delinquency and tax sale

19 * * *

20 B.

21 * * *

(5) ~~The tax sale shall convey and the purchaser shall take tax sale title to the whole of the property assessed to the delinquent tax debtor, or if there are separate assessments of undivided interests in an entire property, tax sale title to the whole of the undivided interests assessed to the delinquent tax debtor if it is the least quantity sufficient to satisfy the aggregate of all taxes, interest, penalties, and costs. The least quantity shall be determined by undivided interests. The tax collector shall then proceed to sell the lesser undivided interest of the whole property as will satisfy the charges and shall not entertain a bid in excess thereof. On the day of sale, the tax collector shall sell the portion of the property which the debtor points out. If the debtor does not point out any property or sufficient property, the tax collector shall sell immediately the least quantity of the property, determined by undivided interests, which any bidder will buy for the amount of taxes, interest, and costs. Except as provided in R.S. 47:2196(D), the purchase price or bid price is the amount of taxes, interest, and costs, and the bidding is by undivided interests with the initial bid being one hundred percent and thereafter declining from the initial bid. The tax collector may determine and establish that the least quantity that can be sold by undivided interests is one percent or less of the whole. The tax sale shall convey, and the purchaser shall take, tax sale title to the undivided interest bid in the entirety of the property, or in the case of separate assessments for undivided interests in the property, tax sale title ~~to~~ in the undivided interest bid in the entirety of the undivided interest, intended to be assessed and sold as it was owned by the delinquent tax debtor regardless of any error in the dimensions or description of the property as assessed and sold. The tax collector in the advertisement or tax sale may give the full description according to original titles.~~

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§2201. Ordinance; sale or donation of adjudicated property

A political subdivision may adopt ordinances regarding the public sale or donation of adjudicated property that complies with R.S. 47:2202, 2203, and 2206.

A public sale or donation of adjudicated property by a political subdivision may be

1 made by sale or donation of an individual tax parcel, or by sale or donation of
2 multiple tax parcels as a whole.

3 §2202. Minimum bid prices; sale of adjudicated property

4 A. The governing authority of each political subdivision may elect to set a
5 dollar amount as a minimum bid for the public sale of adjudicated property, which
6 shall be at least the total amount of statutory impositions, governmental liens, and
7 costs of sale. The governing authority of each political subdivision may elect also
8 to require an appraisal of adjudicated property to be sold at public sale. If the
9 political subdivision elects to use the appraised value to establish a bidding floor
10 instead of setting a dollar amount minimum bid as allowed by this Section, the
11 political subdivision shall appoint a licensed appraiser to appraise and value the
12 property. The minimum bid at the first public sale shall be at least two-thirds of the
13 appraised value of the property. If the property fails to sell at the first public sale,
14 the minimum bid at the second sale shall be one-third the appraised value of the
15 property.

16 B. Notwithstanding the provisions of Subsection A of this Section, the
17 governing authority of each political subdivision may allow an adjoining landowner
18 to purchase adjudicated property for any price set by the governing authority without
19 public bidding; provided, that the governing authority of an applicable political
20 subdivision determines that the adjoining landowner has maintained the adjudicated
21 property for a period of one year prior to the sale. Such a sale shall be deemed a
22 public sale under the provisions of this Subpart.

23 Section 3. The provisions of Section 1 of this Act shall apply to suits filed on or after
24 the effective date of this Act.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Burrell

HB No. 563

Abstract: Relative to ad valorem taxes, provides for challenges to assessments, bidding procedures at tax sales, tax sale title to undivided interests, public sale or donation of tax parcels, and provides for the sale of adjudicated property to adjoining property owners.

Present law provides that an assessment valuation shall be challenged only pursuant to the method or procedures as provided first in R.S. 47:1992 (board of review), then in R.S. 47:1989 (appeals to tax commission), and finally in R.S. 47:1998 (judicial review).

Proposed law retains present law except that it removes the ability to challenge a claim of exemption under the procedures of present law.

Present law provides, in part, that the tax sale shall convey and the purchaser shall take tax sale title to the whole of the property assessed to the delinquent tax debtor, or if there are separate assessments of undivided interests in an entire property, tax sale title to the whole of the undivided interests assessed to the delinquent tax debtor if it is the least quantity sufficient to satisfy the aggregate of all taxes, interest, penalties, and costs, and provides that the least quantity shall be determined by undivided interests.

Present law provides that the tax collector shall sell the lesser undivided interest of the whole property as will satisfy the charges and shall not entertain a bid in excess thereof.

Proposed law provides that on the day of sale, the tax collector shall sell the portion of the property which the debtor points out, but that if the debtor fails to point out any property or sufficient property, the tax collector shall sell immediately the least quantity of the property, determined by undivided interests, which any bidder will buy for the amount of taxes, interest, and costs.

Proposed law provides that except as provided in R.S. 47:2196(D) (re-advertisement and sale of previously adjudicated property), the purchase price or bid price is the amount of taxes, interest, and costs, and the bidding is by undivided interests with the initial bid being 100% and thereafter declining from the initial bid.

Present law provides that the tax sale shall convey, and the purchaser shall take, tax sale title to the entirety of the property, or in the case of separate assessments for undivided interests in the property, tax sale title to the entirety of the undivided interest.

Proposed law provides for tax sale title to the undivided interest bid in the entirety of the property or in the entirety of the undivided interest of the property.

Present law provides that a political subdivision may adopt ordinances regarding the public sale or donation of adjudicated property that complies with R.S. 47:2202 (minimum bid prices), 2203 (pre-bidding procedures), and 2206 (notice of sale or donation).

Proposed law retains present law but also provides that a public sale or donation of adjudicated property by a political subdivision may be made by sale or donation of an individual tax parcel, or by sale or donation of multiple tax parcels as a whole.

Present law provides that the governing authority may either elect to set a dollar amount as a minimum bid for the public sale of adjudicated property, which shall be at least the total amount of statutory impositions, governmental liens, and costs of sale, or that the governing authority may elect to require an appraisal of adjudicated property to be sold at public sale.

Present law provides that if the political subdivision elects to use the appraised value to establish a bidding floor, the political subdivision shall appoint a licensed appraiser to appraise the property, and provides that the minimum bid at the first public sale shall be at least 2/3 of the appraised value, and that if the property fails to sell, the minimum bid at the second sale shall be 1/3 of the appraised value.

Proposed law retains present law, but provides that notwithstanding the provisions of present law, the governing authority may allow an adjoining landowner to purchase adjudicated property for any price set by the governing authority without public bidding if the adjoining landowner has maintained the adjudicated property for a period of one year prior to the sale, and provides that such a sale shall be deemed a public sale.

Provisions of this Act which govern suits to recover taxes paid under protest shall apply only to suits filed on or after the effective date of the Act.

(Amends R.S. 47:2134(D), 2153(B)(5), 2201, and 2202)

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Ways and Means to the original bill.

1. Adds provision that proposed law governing suits to recover taxes paid under protest shall apply only to suits filed on or after the effective date of the Act.